

**Survey Report:
Office of Single Family
Customer Satisfaction**

**Prepared for the
Michigan State Housing
Development Authority**

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Conclusions

Respondent Characteristics

Respondents included loan officers, closers, processors, executives, and others working in the lending process. Most had ten years of experience or more. Nearly 60% said their volume of MSHDA business had increased in the last year, and 69% close less than one to two MSHDA mortgages in an average month. Because the respondent pool is largely quite familiar with MSHDA products, the reader should consider the responses cautiously: they are indicative of the views of those lenders who know MSHDA best.

Responsiveness

More than 90% of survey respondents have contacted OSF in the past, predominantly by telephone. OSF staff received extremely high marks for timeliness, usefulness, availability, accuracy, and capacity to resolve customer issues.

Policy Change

Most customers who are aware of recent changes in loan origination and closing guidelines view them positively; however, 27% of respondents could not judge changes in loan origination and 52% could not judge changes in closing guidelines. With respect to changes in origination guidelines, customers are most pleased with improved Web access, increases in income and purchase-price limits, training, and simplification of the process. Similarly, with respect to changes in closing guidelines, customers were most pleased with new options for online access and general simplification of the process.

Training

Sixty-one percent of respondents had previously participated in MSHDA training and virtually all found it helpful. Although 12% of respondents were not interested in regional training, among the balance, interest was greatest in training in Troy (26%), Grand Rapids (16%), Kalamazoo (15%), and Lansing (10%).

Reasons Lenders Use—and Do Not Use—MSHDA Products

Participating lenders indicated they use MSHDA products because rates are preferable (63%) and because down payment assistance is available (55%). The most commonly cited barriers to more aggressive use of MSHDA products were that the process is too cumbersome, slow, and labor-intensive; income and sales-price limits are too low; commissions are too low; buyers have credit issues that exclude them; and lenders are inadequately knowledgeable about MSHDA products.

Sources of Information

Lenders seem most familiar and satisfied with the Lender Letter distributed via e-mail, rated at 4.68 out of a potential 5 points, and familiar to more than 90% of respondents. Other tested sources of information, including the Lender on Line Web site, MSHDA's public Web site, training, and the OSF operating and closing manuals were also positively rated by those familiar with them, but were less familiar to many respondents. Similarly, those rating the Lender on Line Web site regarded it positively for making reservations, locating online documents, accessing Lender Letters, and accessing OSF manuals, but many respondents—in some instances, most respondents—were not familiar with selected features of the Web site.

Perceptions of MSHDA

Most respondents had positive overall perceptions of MSHDA and more than 90% agreed at least "somewhat" that MSHDA single-family products are good products for households of low and moderate income. Lenders agreed, but less overwhelmingly, that MSHDA products are attractive to them as lenders, and were split on the question of whether there are substitutable products they prefer to recommend. Lenders did not agree that real estate agents "frequently recommend" MSHDA products to their clients, and some wrote end-of-survey comments indicating that real estate agents are very reluctant to become involved with a MSHDA mortgage and are underinformed about the potential benefits to their clients.

Recommendations

- OSF should continue to use its existing process for fielding inbound customer requests, as customer satisfaction is very high. However, OSF should prepare for the possibility of increased call and sales volume, which some expect to happen if and when interest rates increase.
- Customers appear to be unaware of many improvements in OSF service and changes to policy guidelines that should make it easier for lenders to work with MSHDA mortgage products. Given the traditional and lingering complaint that MSHDA products are cumbersome and labor-intensive for lenders, OSF should do all it can to market these changes to lenders. Survey responses also seem to suggest that customers are struggling to navigate the Lender on Line Web site: participating lenders did not recognize many of the available online services. Although it may be that most lenders have little need to access these services, it may also be the case that they cannot locate them on the Web site.
- OSF should conduct as many training sessions as its budget permits. Lenders value the sessions and often suggested that lack of knowledge is a barrier to their use of MSHDA products.
- MSHDA should routinely review guidelines for OSF products to ensure that they are as competitive as they can be given existing federal and state requirements, the realities of MSHDA's available budget, and MSHDA's intentions and priorities as a financing entity. Lenders suggest MSHDA is not competitive on several fronts:
 - MSHDA's process is perceived to be more bureaucratic than the process for other, comparable products. Some lenders suggest that real estate agents are reluctant to recommend MSHDA products for this reason.
 - MSHDA pays less in commission.
 - MSHDA products are not as well known in the field as are other, substitutable products.
 - MSHDA qualification requirements are more rigorous.
- Lenders offered several recommendations for improvement of Lender on Line. A consolidated list of the requests for improvement follows:
 - "The on-line services are great. I only wish we could cut and paste the recapture documents."
 - "Some fields on your closing system are not set accurately. We load the correct first payment date on our notes and when we go to print the note the first payment date is changed to the month the loan is closing. It would be nice to autopopulate the Recapture Tax fields right in your loan document package and not have to get out of that area and go to the miscellaneous area of the documents. A confirmation e-mail would be nice to know you received the final closed package and it is ready for purchase would be great. We try really hard to make the 15-day bonus of .25 and it is hard to track without some communication from MSHDA. Also if there are conditions, a fax, e-mail or phone call would be appreciated. We have received several days later via regular U.S. mail."

- “Online is convenient but it is not comprehensive, all documents for closing should be at one site. The DMI process is cumbersome and not clearly indicated as a bank responsibility.”
- “Fax and hopefully e-mail will continue to be used for communication of information.”
- Requests for additional services through Lender on Line:
 - “Maybe a chat button.”
 - “Gift letters that you prefer.”
 - “Answers to underwriting questions (i.e., scenarios, on-the-line issues, quick reference).”
 - “I didn’t know the manual was on there. If it is, great If not, I’d like to see underwriting guidelines.”
 - “The site is VERY hard to find information and needs to be easier to navigate. I find that you have to go searching every link to find what your looking for it really needs to be more clear (more like the public Web site).”
 - “Reliable and up-to-date reports.”
 - “Please fix the DPA note and mortgage forms so they print properly.”
 - “Closing docs that can be saved more than one day. E-mail capability.”
 - “Current forms, status of files in process. If something is needed for that file, approval status.”
 - “Letters of approval on loans.”